

WEATHER FORECAST.  
Generally fair to-day and to-morrow;  
warmer to-day; moderate southwest winds.  
Highest temperature yesterday, 78; lowest, 63.  
Detailed weather reports will be found on editorial page.

# THE NEW YORK HERALD

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THE BEST IN ITS HISTORY.  
The New York Herald, with all that was  
best of The Sun intertwined with it,  
and the whole revitalized, is a bigger and better  
and sounder newspaper than ever before.

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## RECORDS OF FUNDS RAISED FOR POLICE GAMES DESTROYED

Senator Meyer Charges  
That There Are No Docu-  
ments or Books Show-  
ing Exact Figures.

ESTIMATED AT MILLION  
Captains of Larger and  
Richer Districts Unable to  
Make Accounting to  
Committee.

WILL NOW ASK ENRIGHT  
Gov. Miller to Confer This  
Morning With Investiga-  
tors on Their Work in  
Detail.

Gov. Nathan L. Miller will come to New York this morning for a conference with members of the Meyer legislative committee which is investigating the Hyman administration and will be told in detail just what the committee has accomplished since it began its work. Elton R. Brown, chief counsel for the committee, will also be here, and it is understood that it will be decided whether to appeal from the recent decision of the Appellate Division concerning the holding of secret sessions.

One of the things of which it is expected that Senator Schuyler M. Meyer, chairman of the committee, will tell the Governor in detail is the charges that he made yesterday against the Police Department. Senator Meyer declared that practically all of the records of the department dealing with the fund of \$1,000,000 or more collected from the annual police field games at Sheepshead Bay in the last three years have been destroyed.

"There are no records in existence as far as we have been able to find to show how much money was taken in for the games, what was done with it, who handled it or where it went," Senator Meyer said. "The records which would show receipts have been destroyed. When or by whom we have been unable to find out."

"We have had every police captain before the committee in our efforts to find out something about the field game funds. Perhaps half of the captains have some kind of records accounting for the tickets they handled. The sales were all made through the captains, who turned over the tickets to the policemen. The men in uniform covered the city in their eager efforts to make big sales."

Every Official Passes Back.  
"Captains of the larger and richer precincts, where the sales were heaviest, have no records of any kind. We have asked Deputy Police Commissioner Leach and police inspectors and officials at headquarters for records of the department making clear how the receipts were handled. Every official so far questioned has 'passed the buck.' No one knows anything about it and no one knows what has become of the records. We shall ask Commissioner Enright to account for the records and the fund."

"The committee has been unable to get anything definite. The accounts appear to differ as far as we have been able to check up on them."

Early in 1918 the police reserve force was organized from the defunct Home Defense League, and the Police Commissioner directed that the proceeds from the field games for that year be used mainly to provide equipment and uniforms for the reserves. This was a war time emergency force and a great drive was started to obtain a big sum as a war measure for the adequate protection of the city.

Policemen proved to be good salesmen. Every man in uniform carried his pockets full of tickets. Every traffic cop waved the tickets in front of every passing automobile. Every store and office had daily visits from the salesmen.

Assessments Are Reported.  
The Meyer committee investigators are trying to run down a report that allotments of 100 or more tickets were made to each saloonkeeper in the city. Few saloonkeepers balked at the levy and few took less than ten or a dozen tickets, it is said. The rest were sold.

Another story which the committee is trying to verify is that every man connected with the gambling profession was assessed for \$1,000 and paid the levy. As there are no lists of names of the saloonkeepers the committee has been unable to check up these reports.

The committee will investigate a charge that a prominent uptown hotel was "framed" following the refusal of its proprietor to purchase 250 tickets.

The report states further that "substantial revenue was received for the Police Relief Fund from the proceeds of the field games held during the years 1919 and 1920."

The statement given by the Commissioner of the Police Relief Fund sets down this item: "1920 police game receipts, \$419,718." The account shows receipts for this special fund amounted to \$685,204 at the end of 1920, and that there was \$486,945 cash in the bank.

Senator Meyer said last night that it had been decided definitely that the financials of the city would be the first matter taken up when the committee begins its public hearings. Last Tuesday it was said that these hearings would begin next week, but last night indications were that they probably would not get under way for about two weeks, as it will take that long for the committee's lawyers to draw the necessary subpoenas. Charles L. Craig will be one of the witnesses at the first session, which will be held in the Board of Estimate room at City Hall.

## This Man Pointed Way In, Then Out of Matrimony

"IS this the place you go to see about divorces?" demanded a careworn individual yesterday of Leonard Graziano, the proprietor of the boot shining stand on the west side of the County Court House.

"Sure," replied Graziano, looking rather intently at the man. "You better make a lawyer in with you on pick up in the hallway. There's always a lot of 'em hanging around."

And as the dejected looking man moved toward the door Graziano followed him.

"Say!" he called after the sad one, "didn't you come to this here door two years ago with a skirt and didn't you ask a guy where the marriage license bureau was?"

"Yeh. What of it?"

"Nothin'," replied Leonard, "only I'm that guy. You come to the right joint this time."

## Y. M. C. A. WORKER'S BODY FOUND IN BAY

Anchored on Sandbar at Far  
Rockaway—Suicide Is  
Police Belief.

VANISHED ON JUNE 27

Autopsy Expected to Decide  
Definitely if Foul Play  
Was Involved.

The body of Bruce Seymour Grenelle, the young West Side Y. M. C. A. secretary who disappeared June 27, was found last night anchored on a sandbar in Jamaica Bay, off Seagate avenue, Far Rockaway. Joseph Duncan and James Craig, boatmen, brought the body ashore and turned it over to the police. The anchor rope was left as it was found for examination to-day. The police said it was tied fast to the legs and had held the body secure to a mushroom anchor that was found with it.

Capt. Thomas Meyers of the Far Rockaway precinct, who took charge of the investigation, said that he believed young Grenelle took his own life by making the anchor fast to his legs and slipping off a boat. He said also, however, the possibility that Grenelle was the victim of a murder would not be abandoned wholly until an autopsy had been performed.

The body was taken ashore at the dock of the Central Boat Club. Detectives searched the clothing and found personal papers, cards and a watch that led to the identification. Later an uncle of the young man went to Far Rockaway and examined the papers to make certain the body was that of his nephew.

On June 27, the day of his disappearance, the detectives said they learned Grenelle appeared at the Central Boat Club and hired a rowboat. He rowed away from the dock and was not seen again. The boat has never been found.

Grenelle was twenty-three years old. During the war he served as a cinematographer and later as a stretcher bearer. His father, Robert Grenelle, of Sparta, N. Y., who has been awaiting the young man's return to the West Side Branch of the Y. M. C. A., was quoted last night as saying he feared the nervous strain of the last days of fighting might have affected his son's mind. He had a position as camera man in a motion picture company after the war, but gave it up to engage in retail work, explaining to friends that he had received a "call."

## DEATH BLOCKS ESCAPE, SO HE RETURNS TO CELL

Unable to Reach Freedom on  
Sixth Floor Wall.

PHILADELPHIA, July 6.—A prisoner who made a sensational attempt to escape from his cell on the sixth floor of the Philadelphia County Jail, was found dead outside the cell room, uncertain whether to choose life with a possible prison sentence or death on the court yard flagging 100 feet below.

The prisoner, George Scheeler of Bethlehem, Pa., who was arrested yesterday charged with suspicion of larceny, let himself down to the ledge several feet below and edged his way along the outside wall. When he turned a corner he found his way blocked by a blank wall.

At this moment Edward Kihavey, a police guard, saw Scheeler standing flat against the wall, with his arms outstretched, apparently deliberating upon his next move.

"I wouldn't take the chance you are taking," the officer yelled to Scheeler. "You can't get anything in here as bad as falling on those spikes below you. Take my tip and come inside where it is safe."

Scheeler took the tip and made his way cautiously back.

## HARRY F. GUGGENHEIM LISTED AS SLACKER

Enlisted Day War Was Declared; Became. Lieut. Com.

The name of Harry Frank Guggenheim, son of Mr. and Mrs. Daniel Guggenheim of Sands Point, Port Washington, L. I., appears in the latest list of slackers for the Second district of Nassau county. Young Guggenheim was a Lieutenant Commander in the naval aviation service and enlisted the day war was declared. He trained at Palm Beach and Bay Shore, L. I., went overseas in 1917 and saw active service in France and Italy.

Admiral Sims recommended Guggenheim for a citation, but his name, along with many others proposed by Sims, never was approved by Josephus Daniels, then Secretary of the Navy.

Another son of Daniel Guggenheim was a Major in the army. Mr. and Mrs. Guggenheim sailed for France last week on the Aquitania to spend the summer.

## AMERICAN 'DUCHESS' AND SON TAKE POISON IN PARIS SUICIDE PACT

Mme. de Guise-Hite and  
George Harbough From-  
inent in Social Life.

BOTH ARE NEAR DEATH

Plunging in American  
Stocks and Other Reverses  
Said to Be Behind Act.

MOTHER TWICE DIVORCED

Note Asks First Husband in  
California Be Told and Little  
Dog Kindly Treated.

Special Cable to THE NEW YORK HERALD.  
Copyright, 1921, by THE NEW YORK HERALD.  
New York Herald Bureau.  
Paris, July 6.

A peculiarly tragic attempt to execute a suicide pact startled the American colony in Paris to-night. Mme. de Guise-Hite, an American, twice a divorcee and a self-styled Duchess, who had been prominent in social life in the American colony here and recently had made it known to her friends that she was plunging desperately in American stock markets, drank veronal in her apartment in the Hotel de France et Choleuil in the Rue St. Honore.

At the same time in a fourth rate hotel in a poor section of Paris, her son, George Harbough, 24 years old, whose father, Mme. de Guise-Hite's first husband, is a Cleveland millionaire, twice cut his veins and then, it was believed, after a telephone call to his mother in which he learned she had already taken the poison, also took the veronal draft. Both are near death in the American hospital at Neuilly.

Evidence of a suicide pact is said to be in the hands of the police, and friends of Mme. de Guise confirmed reports she had made open threats of suicide because of financial reverses. Her great love for her son, these friends said, probably caused her to persuade him to join in the suicide attempt. Her own financial misfortunes, her lack of funds and the inability to obtain employment, although it was once thought he would be placed in the Morgan, Harjes & Co. bank, were the motives leading to this double tragedy.

## Father in California.

George E. Harbough, the father of the dying young man, was a Cleveland millionaire, according to friends, when he and Mme. de Guise were divorced. He has since remarried and is now living in El Cajon, Cal. It was his declaration to lend no further pecuniary aid to his former wife or the son that led to Mme. de Guise's act, according to the reports reaching the police. The son, George Harbough, was a student at the University of California at Berkeley street, London, and a claimant to the title of Duke, although this has not been substantiated. The de Guise-Hite family, who took the French law for several centuries, were living since 1910 in California.

Dr. Edmund Gros and Converse have been working since noon trying to save the lives of Mme. de Guise and her son, but it is believed both will die. The friends who found Mme. de Guise lying in agony on the floor in her apartment, also found a note which caused them to hasten to a hall bedroom on the fifth floor of a little hotel in Rue Stroch, where the son, George Harbough, was found unconscious. The note, which was found in the hands of the dying mother, was a letter to her son, George, in which she said: "After my death, in case my beloved son, George, is dead, too, telegraph to G. E. Harbough in El Cajon. Please put my little dog in kind hands."

## Long Contemplated Death.

According to her friends, Mme. de Guise had been contemplating suicide for several weeks, but apparently made up her mind last evening. Although she was always richly dressed, and lived well, it is known that she had resorted recently to asking financial help from wealthy members of the American colony, while her son accompanied her to fashionable balls at the Hotel Ritz and other gathering places of rich Americans, where they charmed many by their good spirits.

The divorce of Mme. de Guise-Hite from her second husband dates back to the early days of the war. Since then she has been representing herself as entitled to be called duchess. She frequently visited Paris, but she took up a permanent residence at the Hotel de France et Choleuil four months ago.

Her son, George, arrived in France in April, 1919, and was placed in the Morgan, Harjes & Co. bank, but at the last moment the plan fell through and young Harbough, almost penniless but with many friends, grew more and more desperate. The message informed her that certain stocks were "absolutely worthless."

The details of the suicidal attempts were told to THE NEW YORK HERALD correspondent to-night by Leo Teklinius, a well known American pianist, and the Countess Opianaki, who, fearing a tragedy following repeated threats of suicide, visited both hotels at 10 o'clock this morning and discovered the two victims unconscious.

"I have known Mme. de Guise a long time," said Teklinius. "But for weeks we have feared she would end her life. It was undoubtedly financial difficulties."

## MEXICO CITY SEES NO DANGER AT TAMPICO

Doesn't Expect Any Interna-  
tional Complications.

MEXICO CITY, July 6.—High Government officials here said to-day they saw nothing in the situation in the Tampico oil region to cause uneasiness over international relations. They declared they did not expect serious trouble in that district. The despatch of two United States war vessels to Tampico was treated conservatively by the Mexican city newspapers.

Statements attributed to all men here describe the recent tax imposition by the Mexican Government as amounting to a loss. The assertion is made by the oil men that the companies do not desire a conflict with the Government, but that they must operate on a business basis.

One high Government official to-day made the charge that the Standard Oil Company "by its monopolizing tendencies" was the real cause of the chaotic situation.

## Sam Browne Belt Given Official Army Approval

WASHINGTON, July 6.—The Sam Browne belt, which was worn by officers of foreign armies and Americans who saw service overseas during the world war, was approved to-day as part of the regulation issue uniform for officers of the United States army. Under the new regulations all officers in uniform will be compelled to wear the belt beginning July 15.

Gen. Pershing and his staff continued to wear the belts upon their return from Europe, but all other officers were ordered to discard them. The explanation was made that the belts served to distinguish those who served overseas.

Officers who have worn the Sam Brownes declare they lend an improvement in appearance to the uniform and in addition an aid in carrying sabres and side arms.

## AMERICANS AIDING OBREGON'S POLICY

Advice of Group Believed to Be  
Responsible for Objection  
to Treaty.

GEORGE CREEL IN MEXICO

Oil Men Oppose Taxation and  
Want United States to  
Interfere.

Special Despatch to THE NEW YORK HERALD.  
New York Herald Bureau.  
Washington, D. C., July 6.

The existence of an American Junta which appears to be advising President Alvaro Obregon how best to escape the demands of the American Government is part of the information which the State Department has acquired during the last few days.

The advice of this group is believed to be responsible for the refusal of Obregon to enter into treaty relations with the United States guaranteeing the protection of American property and lives.

The names of this alleged American Junta are not definitely known, although it is understood some of them are operating in the United States, while others are located in Mexico city close to the Mexican Government.

Corroboration of the department's suspicion that the recent statement made by President Obregon to a New York newspaper was written by some one other than himself, was contained in a copy of the Universal, a Mexico city newspaper received here to-day. The paper explains that certain errors had crept into its report of President Obregon's statement owing to the difficulty of translating it into Spanish. While President Obregon possesses a certain knowledge of English, it is known to be insufficient to justify him in writing his communications in that language to be translated back into his native Spanish.

Information coming from Washington indicates that a duplication is being made of the effort during the closing days of the Wilson Administration to secure recognition.

This effort was in connection with the abortive mission of Roberto Pasquera, whose appearance in Washington was preceded by a visit to Mexico city by George Creel, who later appeared at the State Department to urge recognition.

Both the State and Navy departments are watching developments at Tampico with intense interest but without definite action. The representation made by Creel that the information relating to the property is being taxed out of existence in Tampico is being carefully studied. The extreme need of oil throughout the world makes the situation one of more than usual importance.

Senator La Follette of Wisconsin introduced a resolution to-day protesting against the possible use of American armed forces in the Mexican oil fields, requesting the President, if compatible with the public interest, to transmit immediately to the Senate all documents and other information relating to the situation in Mexico and especially as involving any orders to naval officers.

The Senator requested immediate consideration of the resolution, but it went over on objection of Senator Lodge of Massachusetts.

## HOPE OF SETTLEMENT STEADILY INCREASES

Truce Between Factions Is Ex-  
pected This Week.

Special Cable to THE NEW YORK HERALD.  
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New York Herald Bureau.  
London, July 6.

Despite the secrecy with which all conferences bearing on the Irish question are being conducted, the hope of a settlement has been perceptibly strengthened by the return of Gen. Jan Christian Smuts, Premier of the Union of South Africa, from Dublin.

A feature that is considered of great significance is the fact that Sir Horace Plunkett joined the conference presided over by Premier Lloyd George to-day. Because of the unique position he holds in Irish affairs and the broad view he entertains, it is believed that Sir Horace's moderate influence in the negotiations will help to move things closer to the desired goal.

The stage has now been set for a thorough discussion of the problem from all angles. The despatch of two United States war vessels to the North and South oceans, while Mr. Lloyd George will get an accurate account of the situation as it really is. There is no doubt that the leaders of both sides have been thoroughly felt out so that now it is a question of finding a common ground, if such a thing exists, for negotiations.

It is said to-night in well informed circles that a truce is being negotiated.

Continued on Fourth Page.

## IRISH PROBLEM IS SOLUBLE IF WE ALL HELP, SAYS SMUTS

South African Premier Had  
Conferred in Dublin  
With De Valera.

HEARD SINN FEIN TALK

Entire British Empire  
Should Try 'to Wipe Out  
Stain on Its Record.'

HE SEES LLOYD GEORGE

Leaders Meet Secretly in Con-  
venient London Rendezvous  
and Review Situation.

By THE ASSOCIATED PRESS.  
LONDON, July 6.—Gen. Jan Christian Smuts, Premier of the Union of South Africa, who has just returned from a visit to Ireland, where he conferred with Mr. De Valera and South Irish Unionists, publicly expressed his opinion to-night that the Irish problem is solvable. This statement was greeted with loud applause by the distinguished company which attended a dinner given in honor of Gen. Smuts by the South African colony in London.

Gen. Smuts, who conferred for many hours to-day with the British Prime Minister, Sir James Craig, the Ulster Premier, and other officials, is confidently believed to have been the bearer of definite proposals from De Valera and those associated with him.

A despatch from Dublin says the Irish Bulletin, organ of the Dail Eireann, declares that there is no hostility toward Northeast Ulster by the other parts of Ireland. It declares:

"Mr. De Valera has admitted that their claim to autonomy is just. They will receive from the Irish people terms more generous and a legislature more dignified than Lloyd George conferred on them, but on one condition—that they cease to allow Northeast Ulster to be used in Carson's works as a bridgehead for the conquest and subjugation of Ireland."

"The Irish problem," Gen. Smuts told the South Africans, "was one engaging the whole British Empire. It was a problem, however, of which he could not speak to-night, except to express the belief that it was solvable, and that 'if we all help to create a better atmosphere and are determined to wipe out what is really a stain on the empire's record we shall succeed.'"

"Therefore," he continued emphatically, "I think, I am hopeful, I trust, that the question will be solved, and that thereby the British Empire will be freed from the imputation that in this ancient part of the United Kingdom there still exists violation of the fundamental principles upon which the empire rests. I say that the problem is solvable because I have seen it solved in my own country, under circumstances less embittered than in Ireland, but certainly of a very difficult character, too."

If ever this problem of the subjection of one people to another presented a hopeless view it was in South Africa. But finally, in a spirit of give and take, forbearance and trying to render something to the point of view of the other side, we solved the problem, and to-day South Africa is one of the happiest countries in the world.

He added that he himself had been among those on the run, seeking to escape reporters and cameramen.

Gen. Smuts opened his speech by declaring that he had not abandoned hope of America. "She is a coy maiden and must not be wooed too warmly," he said. "I want to see America pull with us in this great world service that to-day is being rendered by the British Empire."

Then, alluding humorously to his visit to Ireland, he declared he found the people "divided into two classes—those in jail, and those who were not in jail. He said that he himself had been among those on the run, seeking to escape reporters and cameramen."

The Trades Council head discussed the strike and lockout now being waged by the building trades as a possibility as the existing agreements come to an end.

Several "blows" of Republican insurgents in the House who have been denouncing various schedules in the tariff bill will allow the measure to be rushed through the House so that work on revenue revision may be expedited. They have received virtual assurances from Republican Senate leaders that the tariff bill after its passage by the House will be pigeonholed by the Senate Finance Committee until the new tax law is enacted.

At a conference to-night of House Republicans it was decided that the final vote on the tariff bill shall be taken on July 21. The conference adopted a rule which will open to amendment from the floor the dyes, oils, hides and cotton schedules.

Commissioner of Internal Revenue Blair issued a warning that unless the revenue laws are revised soon the bureau with its present force cannot reorganize its work so that the new taxes can be applied to income and profits accruing during the calendar year 1921 which would be collectable in 1922. To make the change from the old to the new tax laws the revision should have been completed now, Mr. Blair said.

The permanent tariff bill has aroused little interest in the House, many Representatives being entirely unfamiliar with the schedules. The expected fights on several schedules are not developing, as it is realized that a mistake was made in spending three months in framing the measure when there was such a universal demand for revision of the revenue laws.

The "blows" that have been opposing the various schedules have come to the conclusion that the tariff will not be enacted for six or seven months, and that its form will be radically changed by that time so they see no reason to make a stiff fight against these rates during the hot weather. The fact is that the majority of the House members are bewildered over the tariff bill and believe the wisest thing to do is to shoot it over to a Senate pigeon hole promptly and start revenue revision.

It is realized that a mistake was made in spending three months in framing the measure when there was such a universal demand for revision of the revenue laws.

Mr. Blair pointed out to-day that adjusting the bureau's work after a revision of the tax laws is a tremendous task. Millions of new forms must be prepared and printed, and scores of new regulations prepared and distributed. To do this work smoothly, it is known that Mr. Blair believes the bureau must have at least five months time.

If the tax laws are not revised to give the bureau a year, the work will be a disaster.

Continued on Third Page.

## HARDING AND HUGHES SEEK PEACE PACT TO INSURE U. S. FREEDOM IN WORLD AFFAIRS

President Faces Task of Reconciling the Irreconcilables,  
While Secretary Drafts Treaty Minus Objections to  
Versailles Document—May Reach Compromise  
to Conclude Agreement With Germany.

Special Despatch to THE NEW YORK HERALD.  
New York Herald Bureau.  
Washington, D. C., July 6.

President Harding conferred again to-day with Secretary of State Hughes regarding the course the Administration should take in completing a permanent peace arrangement with Germany. The President is seeking a compromise between the recommendation of Secretary Hughes that an expurgated draft of the Treaty of Versailles be resubmitted to the Senate, and the attitude of the Senate irreconcilables who want that treaty wholly discarded.

How to protect the rights obtained by the United States through its part in the war, by the terms of the armistice and under the Versailles Treaty without accepting the treaty in some form is the difficult task which Mr. Harding faces. The Knox-Porter resolution declaring peace with Germany and Austria, which the President signed last Saturday, specifically stipulates that this country does not yield any rights obtained through the Versailles compact.

Mr. Hughes believes the only way these rights can be adequately safeguarded is by ratification of the Versailles Treaty, and he has prepared a draft of it with objectionable features eliminated. The bitter enders in the Senate insist all that is needed is a treaty of amity and commerce with Germany.

The President is discussing the subject from all standpoints with Mr. Hughes and is weighing carefully the legal and diplomatic questions involved. At the same time he is engaged in the difficult task of "reconciling the irreconcilables," as one Senator put it to-day. This doubtless will prove to be impossible in some instances, unless the President throws the Versailles Treaty entirely into the discard. But the President is aware that two-thirds of the Senate has gone on record in favor of ratification of the Versailles Treaty with reservations.

There is every indication to-day that if the President and Secretary Hughes agree upon a course of action which involves acceptance of the treaty in a way that will not involve the United States in strictly European affairs in which it has no direct interest, and that discards completely the league covenant, not more than a half dozen Republican votes will be cast against it in the Senate.

Passage of a soldier bonus bill at this time would be most unfortunate for the Treasury and for the country; would disrupt Treasury refundment proposals, increase taxes and the cost of living, and in general give a financial and economic setback. This is the opinion of Secretary of the Treasury Mellon.

In a letter to Senator Frelinghuysen, made public to-day, the Secretary freely expressed his views on the bonus, saying the situation created under any of the optional plans proposed would be a serious one and would fairly wreck the Administration plans and efforts for Government economy. In this connection the Secretary expressed fears that Government disbursements might in any event run ahead of receipts, and the matter was one of grave concern to the Treasury.

Notwithstanding the frank analysis and declarations of Secretary Mellon the presentation of the Secretary's letter in the Senate brought a reversal of sentiment in that body strongly in favor of the bonus. Many Senators indicated a willingness to sacrifice considerations for some form of bonus legislation. Senator McCumber, sponsor of the bill, spoke in favor of the budget, and sought to discount Mr. Mellon's forceful outline with the declaration that it was of course up to the Secretary to look after the Treasury interests and conserve funds.

Underwood Opposes Bill.  
Minority leader Underwood (Ala.) opposed the bill. He said: "The vote here yesterday in favor of taking up for consideration the so-called bonus bill indicates on its face, at least, that there is a strong sentiment in favor of its passage."

"It is not a pleasant task to speak against this bill, but I do not feel that I would do my full duty if I did not express, so that it may appear in the record, some of the reasons why I believe this bill should not become a law."

"I did not expect this letter from the Secretary of the Treasury. I consider it as a very timely one, strong, forceful and to the point. In my judgment, if the party in power desires to serve the soldiers, the farmer and serve the people generally in this country, the action that party should take is to endeavor to bring the country back to a stable condition of finance, stable conditions of business, so that toilers on the farms and in the workshops may have employment and reasonable remuneration for their toil."

"To attempt to palliate the present condition by paying men a bonus does not relieve the situation, and is not for the benefit of the country. I am opposed to the bill for many reasons."

He attacked the bill, reading from the McCumber report which explained its provisions, and said it was unworthy of the committee to report it out.

Referring to the fact that it was paying for patriotic services—paying a dollar a day, "No man in the Senate," he said, "would take the chances that these soldiers took for a dollar a day."

Secretary Mellon's letter was in response to a communication from Senator Frelinghuysen, in part as follows: "In my study of the bill I have tried to determine what financial obligation its enactment would place upon the Treasury. Such obligation your department, I am sure, is equipped to ascertain. I have no desire to place any undue burden upon you, but I would be grateful if you could say your way clear to indicate what the enactment of the bill would mean to the Treasury of the United States."

Secretary Mellon replied: "The bill which has been reported to the Senate provides, as you know, for five optional plans: (1) Adjusted service pay; (2) adjusted service certificates; (3) vocational training aid; (4) farm or home aid and (5) land settlement aid. The financial obligation which its passage would impose on the Treasury depends in large measure upon the choice of plan which may be made by veterans entitled to the benefits of the bill. It is therefore impossible to make accurate estimates at this time either as to the total cost to the Treasury or as to the time when the payments would have to be made. The features of the plan which would entail the greatest expense are: (1) The cash payments to be made

Continued on Third Page.

## MELLON SEES RUIN TO ECONOMY PLANS IF BONUS IS PASSED

Secretary Warns That Bill  
Would Disrupt Treasury,  
Raising Taxes and Liv-  
ing Costs.

U. S. NOW STAGGERING

Writes Senator Freling-  
huysen That Payments  
Would Prove Boome-  
rang to Soldiers.

COST RUNS IN BILLIONS

Appeals to Congress to Get  
Country Back on Sound  
Basis Before Taking  
Final Action.

Special Despatch to THE NEW YORK HERALD.  
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Passage of a soldier bonus bill at this time would be most unfortunate for the Treasury and for the country; would disrupt Treasury refundment proposals, increase taxes and the cost of living, and in general give a financial and economic setback. This is the opinion of Secretary of the Treasury Mellon.

In a letter to Senator Frelinghuysen, made public to-day, the Secretary freely expressed his views on the bonus, saying the situation created under any of the optional plans proposed would be a serious one and would fairly wreck the Administration plans and efforts for Government economy. In this connection the Secretary expressed fears that Government disbursements might in any event run ahead of receipts, and the matter was one of grave concern to the Treasury.

Notwithstanding the frank analysis and declarations of Secretary Mellon the presentation of the Secretary's letter in the Senate brought a reversal of sentiment in that body strongly in favor of the bonus. Many Senators indicated a willingness to sacrifice considerations for some form of bonus legislation. Senator McCumber, sponsor of the bill, spoke in favor of the budget, and sought to discount Mr. Mellon's forceful outline with the declaration that it was of course up to the Secretary to look after the Treasury interests and conserve funds.

Underwood Opposes Bill.  
Minority leader Underwood (Ala.) opposed the bill. He said: "The vote here yesterday in favor of taking up for consideration the so-called bonus bill indicates on its face, at least, that there is a strong sentiment in favor of its passage."

"It is not a pleasant task to speak against this bill, but I do not feel that I would do my full duty if I did not express, so that it may appear in the record, some of the reasons why I believe this bill should not become a law."

"I did not expect this letter from the Secretary of the Treasury. I consider it as a very timely one, strong, forceful and to the point. In my judgment, if the party in power desires to serve the soldiers, the farmer and serve the people generally in this country, the action that party should take is to endeavor to bring the country back to a stable condition of finance, stable conditions of business, so that toilers on the farms and in the workshops may have employment and reasonable remuneration for their toil."

"To attempt to palliate the present condition by paying men a bonus does not relieve the situation, and is not for the benefit of the country. I am opposed to the bill for many reasons."

He attacked the bill, reading from the McCumber report which explained its provisions, and said it was unworthy of the committee to report it out.

Referring to the fact that it was paying for patriotic services—paying a dollar a day, "No man in the Senate," he said, "would take the chances that these soldiers took for a dollar a day."

Secretary Mellon's letter was in response to a communication from Senator Frelinghuysen, in part as follows: "In my study of the bill I have tried to determine what financial obligation its enactment would place upon the Treasury. Such obligation your department, I am sure, is equipped to ascertain.